

AMENDED IN SENATE JULY 23, 2009

AMENDED IN ASSEMBLY MAY 19, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 417

Introduced by Assembly Member Beall

February 23, 2009

An act to amend, *repeal, and add* Sections 11758.42, 11758.46, and 11839.2 of the Health and Safety Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 417, as amended, Beall. Medi-Cal Drug Treatment Program: buprenorphine.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Existing law provides for the Medi-Cal Drug Treatment Program (Drug Medi-Cal), under which each county enters into contracts with the State Department of Alcohol and Drug Programs for the provision of various drug treatment services to Medi-Cal recipients, or the department directly arranges for the provision of these services if a county elects not to do so. Existing law defines the services reimbursable under this program, and establishes contracting, billing, and reimbursement procedures governing this program.

This bill would, *until January 1, 2015*, add buprenorphine services to the list of Drug Medi-Cal services, ~~but only if the buprenorphine services are either when they are~~ administered by a licensed narcotic treatment program and ordered or prescribed by a physician who complies with federal requirements and works under the license of the narcotic treatment program ~~or the buprenorphine services are prescribed by a physician who complies with federal requirements, but does not work under the license of a narcotic treatment program.~~

Under existing law, for purposes of Drug Medi-Cal, the department is required to establish a narcotic replacement therapy dosing fee for methadone and LAAM.

This bill would, *until January 1, 2015*, require the department to establish separate dosing fees for methadone, LAAM, and buprenorphine. The bill would also provide that for purposes of establishing the dosing fees, the department is required to include comprehensive services that include physician and medication services.

Under existing law, the department is responsible for licensing narcotic treatment programs to use replacement narcotic therapy in the treatment of addicted persons whose addiction was acquired or supported by the use of a narcotic drug or drugs, not in compliance with a physician and surgeon's legal prescription. Existing law authorizes licensed narcotic treatment programs to use methadone and LAAM for replacement narcotic therapy.

This bill would, *until January 1, 2015*, also authorize licensed narcotic treatment programs to use buprenorphine for replacement narcotic therapy.

This bill would provide that its provisions shall not be implemented if the Director of Health Care Services determines that they would require an unbundling of Drug Medi-Cal reimbursement rates.

This bill would require the State Department of Alcohol and Drug Programs, by January 1, 2014, to submit a report to the appropriate policy and fiscal committees of the Legislature regarding the addition of buprenorphine to Drug Medi-Cal required by this bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11758.42 of the Health and Safety Code
2 is amended to read:

1 11758.42. (a) For purposes of this chapter, the following
2 definitions shall apply:

3 (1) “Buprenorphine” means buprenorphine or buprenorphine
4 combination products approved by the federal Food and Drug
5 Administration for maintenance or detoxification of opioid
6 dependence.

7 (2) “LAAM” means levoalphacetylmethadol.

8 (b) (1) (A) The department shall establish separate narcotic
9 replacement therapy dosing fees for methadone, LAAM, and
10 buprenorphine.

11 (B) For purposes of establishing the dosing fees, the department
12 shall include comprehensive services that include physician and
13 medication services.

14 (2) In addition to the narcotic replacement therapy dosing fee
15 provided for pursuant to paragraph (1), narcotic treatment programs
16 shall be reimbursed for the ingredient costs of methadone or LAAM
17 dispensed to Medi-Cal beneficiaries. These costs may be
18 determined on an average daily dose of methadone or LAAM, as
19 set forth by the department, in consultation with the State
20 Department of Health Care Services.

21 (c) Reimbursement for narcotic replacement therapy dosing and
22 ancillary services provided by narcotic treatment programs shall
23 be based on a per capita uniform statewide daily reimbursement
24 rate for each individual patient, as established by the department,
25 in consultation with the State Department of Health Care Services.
26 The uniform statewide daily reimbursement rate for narcotic
27 replacement therapy dosing and ancillary services shall be based
28 upon, where available and appropriate, all of the following:

29 (1) The outpatient rates for the same or similar services under
30 the fee-for-service Medi-Cal program.

31 (2) Cost report data.

32 (3) Other data deemed reliable and relevant by the department.

33 (4) The rate studies completed pursuant to Section 54 of
34 Assembly Bill 3483 of the 1995–96 Regular Session of the
35 Legislature.

36 (d) The uniform statewide daily reimbursement rate for ancillary
37 services shall not exceed, for individual services or in the
38 aggregate, the outpatient rates for the same or similar services
39 under the fee-for-service Medi-Cal program.

1 (e) The uniform statewide daily reimbursement rate shall be
2 established after consultation with narcotic treatment program
3 providers and county alcohol and drug program administrators.

4 (f) Reimbursement for narcotic treatment program services shall
5 be limited to those services specified in state law and state and
6 federal regulations governing the licensing and administration of
7 narcotic treatment programs. These services shall include, but are
8 not limited to, all of the following:

9 (1) Admission, physical evaluation, and diagnosis.

10 (2) Drug screening.

11 (3) Pregnancy tests.

12 (4) Narcotic replacement therapy dosing.

13 (5) Intake assessment, treatment planning, and counseling
14 services. Frequency of counseling or medical psychotherapy,
15 outcomes, and rates shall be addressed through regulations adopted
16 by the department. For purposes of this paragraph, these services
17 include, but are not limited to, substance abuse services to pregnant
18 and postpartum Medi-Cal beneficiaries.

19 (g) Reimbursement under this section shall be limited to claims
20 for narcotic treatment program services at the uniform statewide
21 daily reimbursement rate for these services. These rates shall be
22 exempt from the requirements of Section 14021.6 of the Welfare
23 and Institutions Code.

24 (h) (1) Reimbursement to narcotic treatment program providers
25 shall be limited to the lower of either the uniform statewide daily
26 reimbursement rate, pursuant to subdivision (c), or the provider's
27 usual and customary charge to the general public for the same or
28 similar service.

29 (2) (A) Reimbursement paid by a county to a narcotic treatment
30 program provider for services provided to any person subject to
31 Section 1210.1 or 3063.1 of the Penal Code, and for which the
32 individual client is not liable to pay, does not constitute a usual
33 and customary charge to the general public for the purposes of this
34 section.

35 (B) Subparagraph (A) does not constitute a change in, but is
36 declaratory of, existing law.

37 (i) No program shall be reimbursed for services not rendered
38 to or received by a patient of a narcotic treatment program.

39 (j) Reimbursement for narcotic treatment program services
40 provided to substance abusers shall be administered by the

1 department and counties electing to participate in the program.
2 Utilization and payment for these services shall be subject to
3 federal Medicaid and state utilization and audit requirements.

4 (k) The amendments made to this section by the act that added
5 this subdivision shall not be implemented if the Director of Health
6 Care Services determines that the provisions of the act that added
7 this subdivision would require an unbundling of Drug Medi-Cal
8 reimbursement rates.

9 (l) *This section shall remain in effect only until January 1, 2015,*
10 *and as of that date is repealed, unless a later enacted statute, that*
11 *is enacted before January 1, 2015, deletes or extends that date.*

12 SEC. 2. Section 11758.42 is added to the Health and Safety
13 Code, to read:

14 11758.42. (a) For purposes of this chapter, "LAAM" means
15 levoalphacetylmethadol.

16 (b) (1) The department shall establish a narcotic replacement
17 therapy dosing fee for methadone and LAAM.

18 (2) In addition to the narcotic replacement therapy dosing fee
19 provided for pursuant to paragraph (1), narcotic treatment
20 programs shall be reimbursed for the ingredient costs of methadone
21 or LAAM dispensed to Medi-Cal beneficiaries. These costs may
22 be determined on an average daily dose of methadone or LAAM,
23 as set forth by the department, in consultation with the State
24 Department of Health Care Services.

25 (c) Reimbursement for narcotic replacement therapy dosing
26 and ancillary services provided by narcotic treatment programs
27 shall be based on a per capita uniform statewide daily
28 reimbursement rate for each individual patient, as established by
29 the department, in consultation with the State Department of Health
30 Care Services. The uniform statewide daily reimbursement rate
31 for narcotic replacement therapy dosing and ancillary services
32 shall be based upon, where available and appropriate, all of the
33 following:

34 (1) The outpatient rates for the same or similar services under
35 the fee-for-service Medi-Cal program.

36 (2) Cost report data.

37 (3) Other data deemed reliable and relevant by the department.

38 (4) The rate studies completed pursuant to Section 54 of
39 Assembly Bill 3483 of the 1995–96 Regular Session of the
40 Legislature.

1 (d) *The uniform statewide daily reimbursement rate for ancillary*
2 *services shall not exceed, for individual services or in the*
3 *aggregate, the outpatient rates for the same or similar services*
4 *under the fee-for-service Medi-Cal program.*

5 (e) *The uniform statewide daily reimbursement rate shall be*
6 *established after consultation with narcotic treatment program*
7 *providers and county alcohol and drug program administrators.*

8 (f) *Reimbursement for narcotic treatment program services*
9 *shall be limited to those services specified in state law and state*
10 *and federal regulations governing the licensing and administration*
11 *of narcotic treatment programs. These services shall include, but*
12 *are not limited to, all of the following:*

13 (1) *Admission, physical evaluation, and diagnosis.*

14 (2) *Drug screening.*

15 (3) *Pregnancy tests.*

16 (4) *Narcotic replacement therapy dosing.*

17 (5) *Intake assessment, treatment planning, and counseling*
18 *services. Frequency of counseling or medical psychotherapy,*
19 *outcomes, and rates shall be addressed through regulations*
20 *adopted by the department. For purposes of this paragraph, these*
21 *services include, but are not limited to, substance abuse services*
22 *to pregnant and postpartum Medi-Cal beneficiaries.*

23 (g) *Reimbursement under this section shall be limited to claims*
24 *for narcotic treatment program services at the uniform statewide*
25 *daily reimbursement rate for these services. These rates shall be*
26 *exempt from the requirements of Section 14021.6 of the Welfare*
27 *and Institutions Code.*

28 (h) (1) *Reimbursement to narcotic treatment program providers*
29 *shall be limited to the lower of either the uniform statewide daily*
30 *reimbursement rate, pursuant to subdivision (c), or the provider's*
31 *usual and customary charge to the general public for the same or*
32 *similar service.*

33 (2) (A) *Reimbursement paid by a county to a narcotic treatment*
34 *program provider for services provided to any person subject to*
35 *Section 1210.1 or 3063.1 of the Penal Code, and for which the*
36 *individual client is not liable to pay, does not constitute a usual*
37 *and customary charge to the general public for the purposes of*
38 *this section.*

39 (B) *Subparagraph (A) does not constitute a change in, but is*
40 *declaratory of, existing law.*

1 (i) No program shall be reimbursed for services not rendered
2 to or received by a patient of a narcotic treatment program.

3 (j) Reimbursement for narcotic treatment program services
4 provided to substance abusers shall be administered by the
5 department and counties electing to participate in the program.
6 Utilization and payment for these services shall be subject to
7 federal Medicaid and state utilization and audit requirements.

8 (k) This section shall become operative on January 1, 2015.

9 ~~SEC. 2.~~

10 SEC. 3. Section 11758.46 of the Health and Safety Code is
11 amended to read:

12 11758.46. (a) For purposes of this section, “Drug Medi-Cal
13 services” means all of the following services, administered by the
14 department, and to the extent consistent with state and federal law:

15 (1) Narcotic treatment program services, as set forth in Section
16 11758.42.

17 (2) Day care rehabilitative services.

18 (3) Perinatal residential services for pregnant women and women
19 in the postpartum period.

20 (4) Naltrexone services.

21 (5) Outpatient drug-free services.

22 (6) Buprenorphine services, ~~but only if at least one of the~~
23 ~~following conditions is met:~~

24 ~~(A) The buprenorphine services when they are administered by~~
25 ~~a licensed narcotic treatment program and they are ordered or~~
26 ~~prescribed by a physician who complies with federal requirements~~
27 ~~and works under the license of the narcotic treatment program.~~

28 ~~(B) The buprenorphine services are prescribed by a physician~~
29 ~~who complies with federal requirements, but does not work under~~
30 ~~the license of a narcotic treatment program.~~

31 (b) Upon federal approval of a federal Medicaid state plan
32 amendment authorizing federal financial participation in the
33 following services, and subject to appropriation of funds, “Drug
34 Medi-Cal services” shall also include the following services,
35 administered by the department, and to the extent consistent with
36 state and federal law:

37 (1) Notwithstanding subdivision (a) of Section 14132.90 of the
38 Welfare and Institutions Code, day care habilitative services,
39 which, for purposes of this paragraph, are outpatient counseling

1 and rehabilitation services provided to persons with alcohol or
2 other drug abuse diagnoses.

3 (2) Case management services, including supportive services
4 to assist persons with alcohol or other drug abuse diagnoses in
5 gaining access to medical, social, educational, and other needed
6 services.

7 (3) Aftercare services.

8 (c) (1) Annually, the department shall publish procedures for
9 contracting for Drug Medi-Cal services with certified providers
10 and for claiming payments, including procedures and specifications
11 for electronic data submission for services rendered.

12 (2) The department, county alcohol and drug program
13 administrators, and alcohol and drug service providers shall
14 automate the claiming process and the process for the submission
15 of specific data required in connection with reimbursement for
16 Drug Medi-Cal services, except that this requirement applies only
17 if funding is available from sources other than those made available
18 for treatment or other services.

19 (d) A county or a contractor for the provision of Drug Medi-Cal
20 services shall notify the department, within 30 days of the receipt
21 of the county allocation, of its intent to contract, as a component
22 of the single state-county contract, and provide certified services
23 pursuant to Section 11758.42, for the proposed budget year. The
24 notification shall include an accurate and complete budget proposal,
25 the structure of which shall be mutually agreed to by county alcohol
26 and drug program administrators and the department, in the format
27 provided by the department, for specific services, for a specific
28 time period, and including estimated units of service, estimated
29 rate per unit consistent with law and regulations, and total estimated
30 cost for appropriate services.

31 (e) (1) Within 30 days of receipt of the proposal described in
32 subdivision (d), the department shall provide, to counties and
33 contractors proposing to provide Drug Medi-Cal services in the
34 proposed budget year, a proposed multiple-year contract, as a
35 component of the single state-county contract, for these services,
36 a current utilization control plan, and appropriate administrative
37 procedures.

38 (2) A county contracting for alcohol and drug services shall
39 receive a single state-county contract for the net negotiated amount
40 and Drug Medi-Cal services.

1 (3) Contractors contracting for Drug Medi-Cal services shall
2 receive a Drug Medi-Cal contract.

3 (f) (1) Upon receipt of a contract proposal pursuant to
4 subdivision (d), a county and a contractor seeking to provide
5 reimbursable Drug Medi-Cal services and the department may
6 begin negotiations and the process for contract approval.

7 (2) If a county does not approve a contract by July 1 of the
8 appropriate fiscal year, in accordance with subdivisions (c) to (e),
9 inclusive, the county shall have 30 additional days in which to
10 approve a contract. If the county has not approved the contract by
11 the end of that 30-day period, the department shall contract directly
12 for services within 30 days.

13 (3) Counties shall negotiate contracts only with providers
14 certified to provide reimbursable Drug Medi-Cal services and that
15 elect to participate in this program. Upon contract approval by the
16 department, a county shall establish approved contracts with
17 certified providers within 30 days following enactment of the
18 annual Budget Act. A county may establish contract provisions to
19 ensure interim funding pending the execution of final contracts,
20 multiple-year contracts pending final annual approval by the
21 department, and, to the extent allowable under the annual Budget
22 Act, other procedures to ensure timely payment for services.

23 (g) (1) For counties and contractors providing Drug Medi-Cal
24 services, pursuant to approved contracts, and that have accurate
25 and complete claims, reimbursement for services from state General
26 Fund moneys shall commence no later than 45 days following the
27 enactment of the annual Budget Act for the appropriate state fiscal
28 year.

29 (2) For counties and contractors providing Drug Medi-Cal
30 services, pursuant to approved contracts, and that have accurate
31 and complete claims, reimbursement for services from federal
32 Medicaid funds shall commence no later than 45 days following
33 the enactment of the annual Budget Act for the appropriate state
34 fiscal year.

35 (3) The State Department of Health Care Services and the
36 department shall develop methods to ensure timely payment of
37 Drug Medi-Cal claims.

38 (4) The State Department of Health Care Services, in
39 cooperation with the department, shall take steps necessary to
40 streamline the billing system for reimbursable Drug Medi-Cal

1 services, to assist the department in meeting the billing provisions
2 set forth in this subdivision.

3 (h) The department shall submit a proposed interagency
4 agreement to the State Department of Health Care Services by
5 May 1 for the following fiscal year. Review and interim approval
6 of all contractual and programmatic requirements, except final
7 fiscal estimates, shall be completed by the State Department of
8 Health Care Services by July 1. The interagency agreement shall
9 not take effect until the annual Budget Act is enacted and fiscal
10 estimates are approved by the State Department of Health Care
11 Services. Final approval shall be completed within 45 days of
12 enactment of the Budget Act.

13 (i) (1) A county or a provider certified to provide reimbursable
14 Drug Medi-Cal services, that is contracting with the department,
15 shall estimate the cost of those services by April 1 of the fiscal
16 year covered by the contract, and shall amend current contracts,
17 as necessary, by the following July 1.

18 (2) A county or a provider, except for a provider to whom
19 subdivision (j) applies, shall submit accurate and complete cost
20 reports for the previous state fiscal year by November 1, following
21 the end of the state fiscal year. The department may settle cost for
22 Drug Medi-Cal services, based on the cost report as the final
23 amendment to the approved single state-county contract.

24 (j) Certified narcotic treatment program providers, that are
25 exclusively billing the state or the county for services rendered to
26 persons subject to Section 1210.1 of the Penal Code, Section
27 3063.1 of the Penal Code, or Section 11758.42 shall submit
28 accurate and complete performance reports for the previous state
29 fiscal year by November 1 following the end of that state fiscal
30 year. A provider to which this subdivision applies shall estimate
31 its budgets using the uniform state daily reimbursement rate. The
32 format and content of the performance reports shall be mutually
33 agreed to by the department, the County Alcohol and Drug Program
34 Administrators Association of California, and representatives of
35 the treatment providers.

36 (k) The amendments made to this section by the act that added
37 this subdivision shall not be implemented if the Director of Health
38 Care Services determines that the provisions of the act that added
39 this subdivision would require an unbundling of Drug Medi-Cal
40 reimbursement rates.

1 *(l) This section shall remain in effect only until January 1, 2015,*
2 *and as of that date is repealed, unless a later enacted statute, that*
3 *is enacted before January 1, 2015, deletes or extends that date.*

4 *SEC. 4. Section 11758.46 is added to the Health and Safety*
5 *Code, to read:*

6 *11758.46. (a) For purposes of this section, “Drug Medi-Cal*
7 *services” means all of the following services, administered by the*
8 *department, and to the extent consistent with state and federal*
9 *law:*

10 *(1) Narcotic treatment program services, as set forth in Section*
11 *11758.42.*

12 *(2) Day care rehabilitative services.*

13 *(3) Perinatal residential services for pregnant women and*
14 *women in the postpartum period.*

15 *(4) Naltrexone services.*

16 *(5) Outpatient drug-free services.*

17 *(b) Upon federal approval of a federal Medicaid state plan*
18 *amendment authorizing federal financial participation in the*
19 *following services, and subject to appropriation of funds, “Drug*
20 *Medi-Cal services” shall also include the following services,*
21 *administered by the department, and to the extent consistent with*
22 *state and federal law:*

23 *(1) Notwithstanding subdivision (a) of Section 14132.90 of the*
24 *Welfare and Institutions Code, day care habilitative services,*
25 *which, for purposes of this paragraph, are outpatient counseling*
26 *and rehabilitation services provided to persons with alcohol or*
27 *other drug abuse diagnoses.*

28 *(2) Case management services, including supportive services*
29 *to assist persons with alcohol or other drug abuse diagnoses in*
30 *gaining access to medical, social, educational, and other needed*
31 *services.*

32 *(3) Aftercare services.*

33 *(c) (1) Annually, the department shall publish procedures for*
34 *contracting for Drug Medi-Cal services with certified providers*
35 *and for claiming payments, including procedures and specifications*
36 *for electronic data submission for services rendered.*

37 *(2) The department, county alcohol and drug program*
38 *administrators, and alcohol and drug service providers shall*
39 *automate the claiming process and the process for the submission*
40 *of specific data required in connection with reimbursement for*

1 *Drug Medi-Cal services, except that this requirement applies only*
2 *if funding is available from sources other than those made*
3 *available for treatment or other services.*

4 *(d) A county or a contractor for the provision of Drug Medi-Cal*
5 *services shall notify the department, within 30 days of the receipt*
6 *of the county allocation, of its intent to contract, as a component*
7 *of the single state-county contract, and provide certified services*
8 *pursuant to Section 11758.42, for the proposed budget year. The*
9 *notification shall include an accurate and complete budget*
10 *proposal, the structure of which shall be mutually agreed to by*
11 *county alcohol and drug program administrators and the*
12 *department, in the format provided by the department, for specific*
13 *services, for a specific time period, and including estimated units*
14 *of service, estimated rate per unit consistent with law and*
15 *regulations, and total estimated cost for appropriate services.*

16 *(e) (1) Within 30 days of receipt of the proposal described in*
17 *subdivision (d), the department shall provide, to counties and*
18 *contractors proposing to provide Drug Medi-Cal services in the*
19 *proposed budget year, a proposed multiple-year contract, as a*
20 *component of the single state-county contract, for these services,*
21 *a current utilization control plan, and appropriate administrative*
22 *procedures.*

23 *(2) A county contracting for alcohol and drug services shall*
24 *receive a single state-county contract for the net negotiated amount*
25 *and Drug Medi-Cal services.*

26 *(3) Contractors contracting for Drug Medi-Cal services shall*
27 *receive a Drug Medi-Cal contract.*

28 *(f) (1) Upon receipt of a contract proposal pursuant to*
29 *subdivision (d), a county and a contractor seeking to provide*
30 *reimbursable Drug Medi-Cal services and the department may*
31 *begin negotiations and the process for contract approval.*

32 *(2) If a county does not approve a contract by July 1 of the*
33 *appropriate fiscal year, in accordance with subdivisions (c) to (e),*
34 *inclusive, the county shall have 30 additional days in which to*
35 *approve a contract. If the county has not approved the contract*
36 *by the end of that 30-day period, the department shall contract*
37 *directly for services within 30 days.*

38 *(3) Counties shall negotiate contracts only with providers*
39 *certified to provide reimbursable Drug Medi-Cal services and that*
40 *elect to participate in this program. Upon contract approval by*

1 *the department, a county shall establish approved contracts with*
2 *certified providers within 30 days following enactment of the*
3 *annual Budget Act. A county may establish contract provisions to*
4 *ensure interim funding pending the execution of final contracts,*
5 *multiple-year contracts pending final annual approval by the*
6 *department, and, to the extent allowable under the annual Budget*
7 *Act, other procedures to ensure timely payment for services.*

8 *(g) (1) For counties and contractors providing Drug Medi-Cal*
9 *services, pursuant to approved contracts, and that have accurate*
10 *and complete claims, reimbursement for services from state*
11 *General Fund moneys shall commence no later than 45 days*
12 *following the enactment of the annual Budget Act for the*
13 *appropriate state fiscal year.*

14 *(2) For counties and contractors providing Drug Medi-Cal*
15 *services, pursuant to approved contracts, and that have accurate*
16 *and complete claims, reimbursement for services from federal*
17 *Medicaid funds shall commence no later than 45 days following*
18 *the enactment of the annual Budget Act for the appropriate state*
19 *fiscal year.*

20 *(3) The State Department of Health Care Services and the*
21 *department shall develop methods to ensure timely payment of*
22 *Drug Medi-Cal claims.*

23 *(4) The State Department of Health Care Services, in*
24 *cooperation with the department, shall take steps necessary to*
25 *streamline the billing system for reimbursable Drug Medi-Cal*
26 *services, to assist the department in meeting the billing provisions*
27 *set forth in this subdivision.*

28 *(h) The department shall submit a proposed interagency*
29 *agreement to the State Department of Health Care Services by*
30 *May 1 for the following fiscal year. Review and interim approval*
31 *of all contractual and programmatic requirements, except final*
32 *fiscal estimates, shall be completed by the State Department of*
33 *Health Care Services by July 1. The interagency agreement shall*
34 *not take effect until the annual Budget Act is enacted and fiscal*
35 *estimates are approved by the State Department of Health Care*
36 *Services. Final approval shall be completed within 45 days of*
37 *enactment of the Budget Act.*

38 *(i) (1) A county or a provider certified to provide reimbursable*
39 *Drug Medi-Cal services, that is contracting with the department,*
40 *shall estimate the cost of those services by April 1 of the fiscal*

1 year covered by the contract, and shall amend current contracts,
2 as necessary, by the following July 1.

3 (2) A county or a provider, except for a provider to whom
4 subdivision (j) applies, shall submit accurate and complete cost
5 reports for the previous state fiscal year by November 1, following
6 the end of the state fiscal year. The department may settle cost for
7 Drug Medi-Cal services, based on the cost report as the final
8 amendment to the approved single state-county contract.

9 (j) Certified narcotic treatment program providers, that are
10 exclusively billing the state or the county for services rendered to
11 persons subject to Section 1210.1 of the Penal Code, Section
12 3063.1 of the Penal Code, or Section 11758.42 shall submit
13 accurate and complete performance reports for the previous state
14 fiscal year by November 1 following the end of that state fiscal
15 year. A provider to which this subdivision applies shall estimate
16 its budgets using the uniform state daily reimbursement rate. The
17 format and content of the performance reports shall be mutually
18 agreed to by the department, the County Alcohol and Drug
19 Program Administrators Association of California, and
20 representatives of the treatment providers.

21 (k) This section shall become operative on January 1, 2015.

22 ~~SEC. 3.~~

23 SEC. 5. Section 11839.2 of the Health and Safety Code is
24 amended to read:

25 11839.2. (a) The following controlled substances are
26 authorized for use in replacement narcotic therapy by licensed
27 narcotic treatment programs:

28 (1) Methadone.

29 (2) Levoalphacetylmethadol (LAAM) as specified in paragraph
30 (10) of subdivision (c) of Section 11055.

31 (3) Buprenorphine, as defined in paragraph (1) of subdivision
32 (a) of Section 11758.42.

33 (b) The amendments made to this section by the act that added
34 this subdivision shall not be implemented if the Director of Health
35 Care Services determines that the provisions of the act that added
36 this subdivision would require an unbundling of Drug Medi-Cal
37 reimbursement rates.

38 (c) This section shall remain in effect only until January 1, 2015,
39 and as of that date is repealed, unless a later enacted statute, that
40 is enacted before January 1, 2015, deletes or extends that date.

1 *SEC. 6. Section 11839.2 is added to the Health and Safety*
2 *Code, to read:*

3 *11839.2. (a) The following controlled substances are*
4 *authorized for use in replacement narcotic therapy by licensed*
5 *narcotic treatment programs:*

6 *(1) Methadone.*

7 *(2) Levoalphacetylmethadol (LAAM) as specified in paragraph*
8 *(10) of subdivision (c) of Section 11055.*

9 *(b) This section shall become operative on January 1, 2015.*

10 ~~*SEC. 4.*~~

11 *SEC. 7. It is the intent of the Legislature that this act not result*
12 *in the unbundling of reimbursement rates for Drug Medi-Cal*
13 *services.*

14 *SEC. 8. (a) The State Department of Alcohol and Drug*
15 *Programs shall submit a report to the appropriate policy and fiscal*
16 *committees of the Legislature regarding the addition of*
17 *buprenorphine to the Medi-Cal Drug Treatment Program (Drug*
18 *Medi-Cal) required by this act. The report shall include data on*
19 *all of the following:*

20 *(1) The number of narcotic treatment programs dispensing or*
21 *administering buprenorphine.*

22 *(2) The number of individuals prescribed buprenorphine through*
23 *Drug Medi-Cal.*

24 *(3) The total cost of buprenorphine provided through Drug*
25 *Medi-Cal.*

26 *(4) The average annual cost per person of individuals receiving*
27 *buprenorphine compared to the average annual cost per person*
28 *of individuals receiving methadone through Drug Medi-Cal.*

29 *(5) The efficacy of buprenorphine in treating opioid addiction.*

30 *(b) The report required by this section shall be completed by*
31 *the department using existing resources. The report shall be*
32 *provided to the appropriate policy and fiscal committees of the*
33 *Legislature by January 1, 2014.*